



**Small Business Advocacy Council
Tuesday, September 16, 2014
8:30 – 10:00AM
MINUTES**

Attendance

Lieutenant Governor Elizabeth H. Roberts
Secretary of State Ralph A. Mollis
Commerce RI Executive Director Marcel Valois
Mark Hayward, U.S. Small Business Administration
J.R. Pagliarini, Commerce RI
Neil Steinberg, Rhode Island Foundation
Jessica David, Rhode Island Foundation
Jerri Moon Cantone, JMC Photography
Mark Stewart, Rhode Island Small Business Development Center at URI
Carmen Diaz-Jusino, Center for Women and Enterprise
Miriam Ross, SBA Summit Chair
Mark Deion, SBA Summit Chair, Deion Associates
Ron Caniglia, SBA Summit Co-Chair
Cap Willey, SBA Summit Chair
Ray Fogarty, Bryant University
Christian Cowan, Polaris MEP
Ed Greene, Sage Business Solutions
Jose Genere, Genere Food Corp
Ralph Coppola, SBANE
Deedee Chatham, URI Research Foundation
Melissa Travis, HealthSource RI
Janet Raymond, Greater Providence Chamber of Commerce
Martha Pughe, North Kingstown Chamber of Commerce
Nancy Scarduzio, Office of Management and Budget/ORR
Terry Martiesian, Martiesian & Associates
Josh Daly, Rhode Island Small Business Development Center at URI
Kelly Carrello, Office of the Secretary of State
Maureen Ewing, Office of the Secretary of State
Sherri Carrera, Commerce RI

Claudia Cardozo, Commerce RI
Maria Tocco, Office of the Lieutenant Governor
Kevin Sullivan, Office of the Lieutenant Governor
Vlad Ibarra, Office of the Lieutenant Governor

Chair Roberts made a motion to approve the minutes from the May 6th meeting. The motion was seconded and the minutes were unanimously approved. The chair stated the exciting times in the business front with the 2015 state budget bill cutting the corporate tax rate from nine percent to seven percent, aligning Rhode Island to be more competitive with our neighbors of Massachusetts and Connecticut. Also, Providence is slated to receive roughly thirteen million in federal funding to help pay for a Streetcart system that would run from College Hill to south Providence/RI Hospital. That project has the potential to create jobs, revitalize the city, and increase property values. The chair went on to state that Senator Miller was unable to attend the meeting, but that his co-chair Mark Hayward would provide an update on some of the legislative initiatives pursued in the regulatory and workforce development including more apprenticeship opportunities.

The Chair opened the floor to Secretary of State Mollis who highlighted the “We Mean Business Expo.” Secretary Mollis discussed how this year’s event had over 300 participants and over fifty organizations including the Department of Labor and Training, the U.S. Small Business Administration, its resource partners Center for Women and Enterprise, SCORE and the Small Business Development Center. These partners featured invaluable resources to small business entrepreneurs through networking activities, expert advice on topics ranging from marketing, financial, permitting to licensing.

Secretary Mollis considered his efforts to help small business owners through e-commerce tools and the “Smart Start” room which featured attorneys and accountants on-hand to speak with businesses and entrepreneurs interested in learning more about how to properly manage and grow their business with information about filings, patents, trademarks, tax documentation and Federal Identification Numbers. For further information please visit: www.sos.ri.gov.

The Chair opened the floor to Commerce RI Director Valois. Director Valois in reference to the lowering of the corporate tax, stated that Rhode Island actually has most competitive corporate taxes in the Northeast. Director Valois went on to discuss the GreaterRI.com website which received the President’s Award and first place by the Northeast Economic Development Group. The marketing and promotional website was launched in late 2013 with the aim of marketing Rhode Island’s image. The partnership is working on a study involving microloan community lending and is engaged with a national tourism consultant firm to promote tourism and get the most return investment. For further information please visit: <http://www.greaterri.com>
Director Valois opened the floor to his chief of staff, Mr. Pagliarini, who discussed a concern raised by a constituent in regards to the passage last year of the Family Medical Leave Act and

unintended consequences on the employer. Chair Roberts pointed that Director of Labor and Training Fogarty provided an overview at the January meeting and the SBA chairs were exploring the concerns as well.

II. Legislative Update

Chair Roberts introduced SBA Rhode Island District Director Mark Hayward who provided an update on some of the 2014 Legislative accomplishments. Mr. Hayward highlighted the passage of a regulatory reform bill that amends the process for submission of economic impact statements, eliminates a number of exclusions in the existing statute, and improves the procedure for adoption of proposed regulations. Also, the Assembly approved a bill synchronizing the Office of Regulatory Reform's upcoming regulatory reviews with the Secretary of State's re-file process.

In the workforce development front, Mr. Hayward discussed lawmakers extending the expiration of a program to provide child-care to low-income parents while they participate in training and work-readiness programs. Moreover, the Assembly created a RI Career & Technical Board of Trustees and a RI Career Technical Education Trust- both entities with an explicit focus on improving career and technical education in the state and working in partnership with employers to develop partnerships and other student-learning opportunities. However, Mr. Hayward stressed the need for a broader discussion and the need for stakeholders to come to an agreement, as current state law is currently going against federal rules.

Mr. Hayward announced that Bryant received funding for the SBA State Trade and Export Promotion (STEP) Program. The Bryant team in partnership with Commerce RI will take companies through a comprehensive export readiness assessment process, provide counseling, and other export opportunities. Also, he urged members to save the date for the SBA Economic Summit on January 23rd at the Radisson Hotel.

SBA Tax Chair Mr. Willey, discussed some of the tax proposals to eliminate income taxes on Social Security benefits and the property tax differential between residential and personal among others. SBA Regulations Vice-chair Mr. Caniglia, discussed the need for apprenticeship models to be looked at and be more proactive. It seems to be a complex issue with emotional overtones that needs to be done in a comprehensive way. SBA Main Street Issues chair Mr. Coppola, stated that although the committee has not been focused on healthcare, they will certainly look at the affordability piece, which has a crossover with regulatory reform.

III. Make It Happen RI Update Neil Steinberg/Jessica David

Chair Roberts introduced Neil Steinberg and Jessica David from the Rhode Island Foundation to provide an update of their plans going forward to push the RI economy through different initiatives.

Mr. Steinberg discussed how Make It Happen RI aimed at changing rhetoric into action and jump start activities, ideas and the mindset around economic development and more of a comprehensive approach where different players come together to help businesses grow and thrive. Two years later, out of a simple idea to get creative people together for problem solving, it has seen investment of over a million dollars in nineteen projects. Mr. Steinberg highlighted how the Rhode Island community answered the call to help and has provided the leadership to connect different industries, programs and resources. The Rhode Island Foundation is focusing on three areas going forward including:

- a. Helping businesses thrive by strengthening the business climate and process.
- b. Meeting the needs of industry by improving the overall system.
- c. Increase Rhode Island self-esteem marketing by promoting all that makes the state great.

Mr. Steinberg stated there is an increased level of activity around the Buy Local RI project, promoting locally owned businesses, while the Manufacturing Renaissance Project launched a database of companies in order to improve supply chain management. For further information on Make it Happen Rhode Island please visit <http://makeithappenri.com/>

IV. Small Business Development Center – Mark Stewart Executive Director SBDC URI

Chair Roberts introduced the new Executive Director of the Rhode Island Small Business Development Center (SBDC) at the University of Rhode Island. Mr. Stewart has over 20 years experience in business advising, operations, financial management, marketing, non-profit development, and proficient in state and federal contracting.

His professional background also includes employment with the State of Delaware, Halifax Community College, North Carolina A&T University, Cheyney University, Toshiba Business Systems, Thomas Jefferson University, Office Max and Staples. He holds an MBA from Eastern University, a Master's of Science Degree in Human Resource Development from Villanova University. Undergrad at Pennsylvania State University, and Edinboro University.

Mr. Stewart discussed the momentum around the SBDC and their restructuring to focus on customer service. The organization currently has three regional directors and three business counselors helping small business entrepreneurs. His major plans include developing strategies to underserved communities and focusing on improving partnerships with the SBA partner agencies and the banking community.

V. HealthSource RI Presentation

Chair Roberts introduced Melissa Travis - Sales Lead, HealthSource RI Small Business Market. Melissa has worked in the private sector for many years with CISCO/Tandberg and Teknor Apex and was with the former RI Economic Development Corporation from 2003-2005 as a Procurement Technical Assistance Center Counselor. She serves on the U.S. Green Building Council Board of Directors, the RI Cities and Towns Advocacy Chair, and is a member of the Open Spaces Planning Commission for the Town of Cumberland.

Ms. Travis explained how HealthSourceRI was established in response to the Patient Protection and Affordable Care Act as Rhode Island's Health Benefits Exchange. Their main goal is to provide small businesses a voice to demand better plans for carriers. It does so by allying with small employers to try to bring down costs while providing tools, resources, and information for small business to stay informed and healthy.

Ms. Travis discussed some of the advantages of offering healthcare coverage to your workers and how the company benefits. For instance, the company benefits because it helps you to compete to attract the most productive workers, fosters stability and growth, helps reduce hiring and training costs by retaining productive workers, and reduces workflow disruptions associated with turnover and insufficient staffing. Also, the company may qualify for tax credits through the federal Small Business Health Options Program and reduces administrative burden and offers financial flexibility.

She described how the employees benefit, including how HealthSource RI advocates for better rates and more innovative plans on behalf of small employers in Rhode Island. For employees, it adds to job satisfaction, improves work-life balance, adds to employees' quality of life, and optimizes employee's health by encouraging them to seek medical attention early. HealthSource RI also provides program options that help employees make healthy lifestyle choices: smoking cessation, wellness, and weight loss among others.

Lastly, Ms. Travis went on to highlight options for employers. One is to let your employees choose their own plan. Two, choose a single plan for all of your employees. Afterwards the three primary carriers in Rhode Island (Blue Cross & Blue Shield of Rhode Island, Neighborhood Health Plan of Rhode Island, and United Healthcare) will offer their different plans-16 plans in 2014 and 20 plans in 2015 with some plans including dental benefits. Ms. Travis discussed the small employer tax credit and ways to take advantage if your company has fewer than twenty-five full time employees with an average of \$50,000 a year or less and the insurance contribution was at least 50% of your FTE's premium costs. For further questions Ms. Travis can be contacted via email at Melissa.travis@exchange.ri.gov, or at 401.415.8100.

V. Next Steps

The legislative subcommittee will work with the SBA chairs to create legislative priorities for 2015. The next SBAC meeting will take place on December 2nd.

The meeting was adjourned at 10:00 a.m.